

ARIZONA VETERANS SERVICE COMMISSION

INTERNAL MANAGEMENT POLICY 90-03

SUBJECT: OVERTIME AND OVERTIME COMPENSATION

EFFECTIVE DATE: April 1, 1992 (Supersedes 90-03, 8-15-90)

1.0 POLICY: Employees who are eligible for overtime compensation in accordance with the Fair Labor Standards Act (FLSA) shall be compensated for overtime work with cash or compensatory time.

1.1 All new employees eligible for FLSA compensation must be informed of this policy during the Commission's new employee orientation and given an opportunity to express their willingness to accept cash, compensatory leave or either for overtime work. An Overtime Compensation Election Form (Attachment) shall be completed by the new employee and maintained in the employee's permanent personnel file.

1.2 Employees who choose to receive only cash payment shall not be asked or allowed to work overtime if the Commission does not have sufficient funds to pay cash for overtime.

1.3 The Commission reserves the right to make cash payment for overtime even if the employee is willing to accept compensatory time.

1.4 An employee may change his selection at any time, but any change shall not be effective until the first day of the first month following sixty days from the date the employee makes the change.

2.0 AUTHORITY: A.R.S. § 41-604, Duties and Powers of the Director.
Department of Administration Personnel Rules R2-5-305.

3.0 DEFINITIONS:

3.1 Workweek - A seven day consecutive period beginning at 12:01 a.m. Saturday through 12:00 midnight Friday.

3.2 Hours Worked - Hours worked will be limited to hours actually worked and will exclude any time off for paid leave, holidays or compensatory time.

3.3 Overtime - All hours worked in excess of 40 hours during the established workweek.

4.0 PROCEDURES:

4.1 Use of Overtime - Management will be expected to reduce or eliminate the need for overtime by:

4.1.1 Rescheduling low-priority work.

4.1.2 Planning for and/or controlling variations in peak workloads.

4.1.3 Implementing work improvement methods which reduce the required man-hours per unit of work.

4.1.4 Assigning work in a manner that makes the most effective use of available resources.

4.1.5 Scheduling leave so that appropriate staffing levels are maintained.

4.2 Overtime should be used only when there are no other practical or available means of completing the work.

4.3 Assignment of Overtime - When overtime is required and there is more than one employee of the same classification and in the same work unit qualified to do the work, overtime will be authorized in the following order.

4.3.1 To those who request it.

4.3.2 On a rotational basis among those who are willing to work overtime.

4.3.3 On a rotational assignment basis in the absence of the first two alternatives.

4.4 Eligibility for Overtime Compensation.

4.4.1 The Fair Labor Standards Act (FLSA), State Statutes and Personnel Rules are the basis for determining the type of overtime compensation, if any, the employee will receive.

4.4.2 State employees, those in covered positions as well as those not covered by Personnel Rules, will fall into one of three compensation categories: overtime pay, compensatory leave or no compensation.

- 4.4.3 Employees whose FLSA code is Non-Exempt (NE) shall be compensated at the rate of one and a half hours for all overtime hours worked. (See attached listing of non-exempt positions.)
- 4.4.4 Employees whose FLSA code is Exempt (EX) shall be compensated at a rate of one hour of compensatory leave for each hour of approved overtime.
- 4.5 Authorization of Overtime - All overtime requires written pre-authorization by the Director, AVSC. Supervisors shall carefully monitor overtime requirements and keep overtime work to a minimum.
- 4.6 Use of Compensatory Leave. During normal work periods, compensatory leave must be used by the employee in the same or next pay period.
 - 4.6.1 Compensatory leave must be used before annual leave is used.
 - 4.6.2 Employees shall obtain advance approval from their supervisor to use compensatory leave.
 - 4.6.3 Employees requesting to use accrued compensatory time shall be allowed to do so within a reasonable period after the request, unless use of time would unduly disrupt agency operations.
 - 4.6.4 Approval to extend the use of compensatory leave must be given in writing to the employee by the work unit supervisor with a stated time limit within which the compensatory time shall be used.
- 4.7 Upon termination of employment, each employee will be compensated at their current rate of pay or the average of their regular rate of pay over the last three years, whichever is higher, for all unused compensatory leave up to the maximum of 240 hours.
- 5.0 IMPLEMENTATION: This policy shall be implemented without change on the effective date.


Norman O. Gallion
Director

Attachments: Overtime Compensation Election Form
Non-Exempt positions Eligible for Overtime Compensation

ARIZONA VETERANS SERVICE COMMISSION

OVERTIME COMPENSATION ELECTION FORM FOR
EMPLOYEES HAVING A FORTY-HOUR WORKWEEK

I understand that as an employee subject to the Fair Labor Standards Act and hired after April 15, 1986, for each hour that I work in excess of 40 hours per week I may elect to receive additional pay at one and one-half times my regular rate of pay or I may elect to receive compensatory leave at a rate of one and one-half hours for each excess hour worked or I may elect either. However, I realize that the agency reserves the right to pay cash even though I may elect to receive compensatory leave for overtime worked.

If I was hired on or before April 15, 1986, I understand that my agency may continue to compensate me for overtime worked in the same manner as it did prior to this date. However, I understand that if cash payment was the method of compensation in effect prior to April 16, 1986, I, too, am being provided my choice in the event my agency cannot provide cash payment as it did prior to April 16, 1986.

In view of the foregoing,

 / / I elect to accept either compensatory leave at a rate of one and one-half hours or cash payment at the rate of one and one-half times my regular rate of pay for each hour worked in excess of 40 hours per week. I realize that my ability to receive cash payment is subject to agency authorization and the availability of funds to pay cash for overtime.

/ I elect to accept only compensatory leave at a rate of one and one-half hours for each hour worked in excess of 40 hours per week.

 / I elect to accept only cash payment at the rate of one and one-half times my regular rate of pay for each hour worked in excess of 40 hours per week. I realize that this election will affect my ability to work overtime if and when the agency does not have funds available to pay cash for overtime.

This election is not the result of any force or coercion by the agency. It will remain in effect until it is cancelled by me and a new election made. I understand that for planning and scheduling reasons, such a cancellation and new election would not be effective until the first day of the first month following sixty days after I have given my employer written notice of the cancellation and new election.

Employee Signature Date

cc: Employee
 Supervisor
 Employee Personnel File